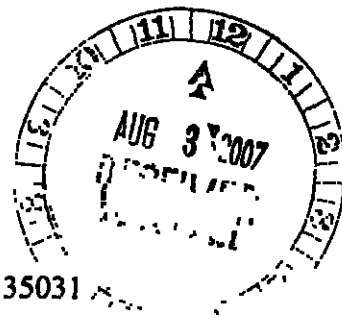


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**BEFORE THE
SURFACE TRANSPORTATION BOARD**



Fortress Investment Group LLC, et al. -- Control --
Florida East Coast Railway, LLC

Finance Docket No. 35031

APPLICANTS' RESPONSE TO COMMENTS

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Holding LLC and NEWCO*

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Dated. August 3, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Fortress Investment Group LLC, et al. – Control --
Florida East Coast Railway, LLC

)
)
) Finance Docket No. 35031
)

APPLICANTS' RESPONSE TO COMMENTS

Pursuant to the Decision served in the above-captioned proceeding on June 21, 2007 (the "*June 21 Decision*"), Fortress Investment Group LLC, on behalf of certain private equity funds managed by it and its affiliates ("Fortress"), Iron Horse Acquisition Holding LLC ("Iron Horse"), a Delaware limited liability company and affiliate of Fortress; NEWCO, a Delaware limited liability company and affiliate of Fortress; RailAmerica, Inc. ("RailAmerica") and Florida East Coast Industries, Inc. ("FECI") and its wholly-owned subsidiary, Florida East Coast Railway, LLC ("FECR") (collectively, "Applicants"), submit this response to the comments filed by interested parties on July 30, 2007

As the Board is aware, no party has filed a protest or request for conditions (other than standard labor protective conditions) or has otherwise opposed the Application. Indeed, the only parties that filed comments on July 30 were two labor organizations representing certain groups of FECR employees, the United Transportation Union ("UTU") and the International Brotherhood of Electrical Workers ("IBEW"). Both UTU and IBEW state that they "take[] no position as to whether the Board should grant the Application." UTU Comments at 1; IBEW Comments at 1. Rather, their comments (which are virtually identical) simply recite certain statements in the Application regarding the absence of adverse effects on FECR employees and the applicability of the Board's standard *New York Dock* labor protective conditions to the proposed transaction, and urge the Board to hold Applicants to those representations.

The *June 21 Decision* set August 14, 2007 as the date by which Applicants may file their response to the comments filed on July 30, as well as any rebuttal evidence in support of the

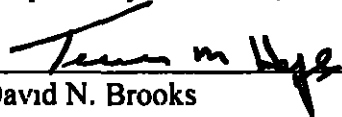
Application Because the Application is not opposed by any party, nor has any party requested conditions (other than *New York Dock* labor protective conditions, which Applicants have acknowledged will be imposed by the Board in connection with its approval of the transaction – see Application at 18-19), there is no need for Applicants to file additional evidence on August 14, 2007.

In view of the fact that there is no opposition to the Application, there appears to be no reason for the Board to schedule either a public hearing or an oral argument. Rather, Applicants believe that the evidentiary phase of this case can be considered complete and the Board can proceed to a final decision.

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Respectfully submitted,


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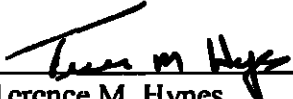
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*Counsel for Fortress Investment Group LLC
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Holding LLC and NEWCO*

Dated: August 3, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing Applicants' Response to Comments to be served by first class mail, postage pre-paid, this 3rd day of August 2007, on all parties of record.


Terrence M Hynes